

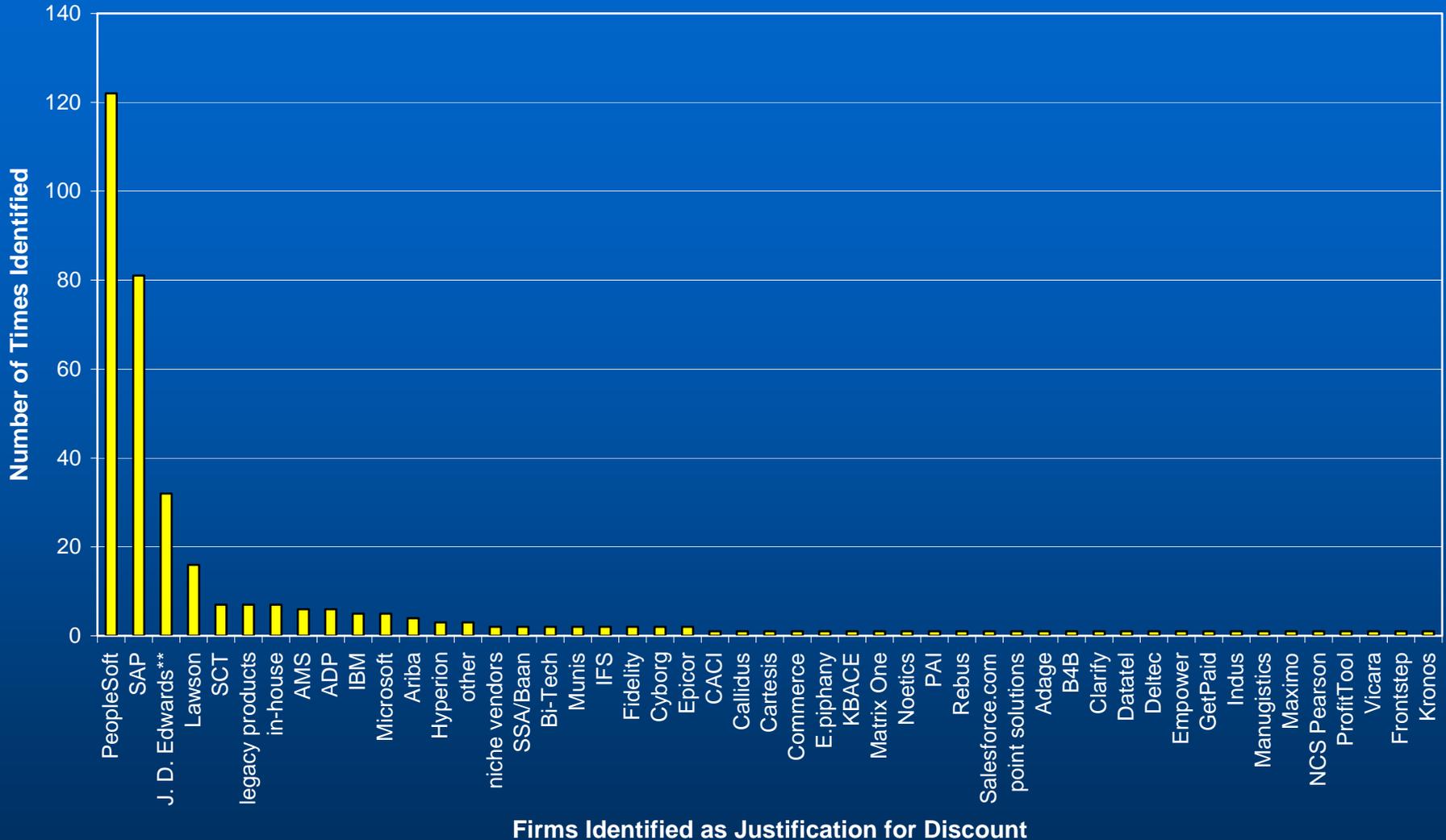
Conclusions of Professor Kenneth G. Elzinga

1. The relevant product markets for assessing an Oracle-PeopleSoft combination are:
 - a. High function financial management services (FMS) software; and
 - b. High function human resource management (HRM) software.
2. The geographic extent of these product markets is the entire U.S.
3. There are only three primary rivals in the two relevant markets: Oracle, PeopleSoft, and SAP.
4. The proposed Oracle-PeopleSoft combination will likely reduce competition in both markets, permitting the merged firm to raise price.
5. The adverse effects of the proposed combination are not likely to be prevented by entry of new firms or expansion of existing firms.

Evidence on Market Definition

1. **Tabulation of Oracle discount approval forms.**
2. **Reports from independent market research organizations that study the enterprise software industry.**
3. **Information from customers and the Big Five consulting firms that assist clients in selecting and implementing enterprise software.**
4. **Documents from firms in the enterprise software sector, including Oracle and Microsoft.**

Tabulation of Discount Approval Forms*

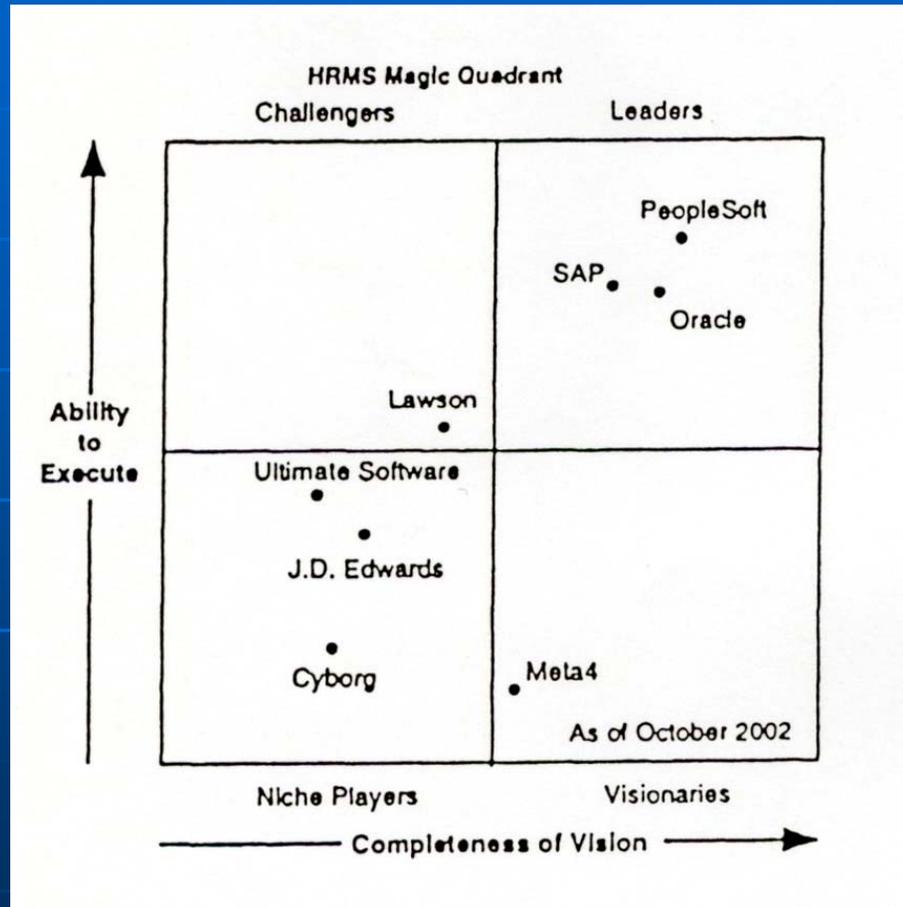


* This tabulation reports the number of times that each alternative is listed as a discount justification on the relevant discount approval forms. Relevant forms pertain to U.S. customers for high function FMS or HRM software or E-Business Suite with net license prices of \$500,000 or more where the alternative is reported.

** J.D. Edwards is now owned by PeopleSoft.

Source: Elzinga Supplemental Report, 5/3/2004, Exhibit S-2.

Gartner Research



Source: Gartner Research, "Large-Enterprise HRMS Magic Quadrant, 2002," 10/10/02, p. 3, fig. 1.

Mr. Perry Keating

“BearingPoint’s fiscal year 2003 ERP-related bookings include 172 projects in which PeopleSoft or J.D. Edwards is listed in our database as the primary vendor, 163 projects listing Oracle as the primary vendor and 158 projects listing SAP as the primary vendor. In contrast, Lawson, listed as the primary vendor on only 3 projects, was the tier two vendor most often used by our clients in FY 2003.”

Source: Declaration of Perry E. Keating, Senior Vice President, Global Enterprise Solutions, BearingPoint, Inc. (Former Director of Strategic Market Development and Education and Government, PeopleSoft, Inc. and Former Senior Practice Director, East Coast Applications Group, Oracle Corporation), 2/6/2004, paragraph 16.

Deloitte Consulting

Only five vendors appear in a database provided by Deloitte Consulting pertaining to their ERP installations.

Mr. David Dortenzo, Deloitte Consulting

“Of the five listed vendors in the suspected package column, only SAP, Oracle and PeopleSoft/J.D. Edwards provide financial management and human resource management ERP software solutions. Retek, listed as the vendor on only a few project lines, provides merchandising, inventory, supply chain, space management and point of sale solutions for the retail industry. However, Retek does not provide ERP functionality that includes financial or human resource management solutions.”

Source: Declaration of David Dortenzo, 2/19/2004, paragraph 11.

Tabulation of Oracle Customer Surveys

Customer responses to the question “Other than Oracle, please indicate which of the following vendors were considered.”

Vendor Named	Number of times mentioned	Percentage of times mentioned
PeopleSoft	14	50%
SAP	8	29%
Other	7	25%
J.D. Edwards	6	21%
None	6	21%
Lawson	5	18%
i2	3	11%
Ariba	2	7%
ADP	2	7%
in-house	2	7%
BAAN	1	4%
Cognos	1	4%
E.piphany	1	4%
IBM	1	4%
Intentia	1	4%
Microsoft	1	4%
There were a total of 28 sales opportunities		

Source: Analysis of Oracle survey data for the first three quarters of fiscal year 2003 for ERP customers classified by Oracle with over \$2 billion in sales.

Microsoft Document

“WHAT KEEPS US UP AT NIGHT?”

“...Oracle, PeopleSoft, SAP aggressively moving down-market, increasing pricing pressure (discounting levels) and creating new channel programs.”

Source: “Microsoft Business Solutions: FY02 Scorecard Review,” 1/23/2002, MS-OPCID 1610.

The United States is the Geographic Market

1. Where the code is written is not a relevant factor.
2. How the product is marketed and supported is a relevant factor.
3. No arbitrage.
4. The price charged to a customer in the U.S. is not affected by a price charged to a customer outside the U.S.
5. The price charged to a customer outside the U.S. is not affected by a price charged to a customer in the U.S.

**High Function FMS Software
US Sales, Shares, and Concentration Statistics
2003***

Company	Sales (\$ thousands)	Share	Share Squared
SAP	44,716	38.6%	1,488
PeopleSoft	35,722	30.8%	949
Oracle	19,195	16.6%	274
AMS	11,214	9.7%	94
SSA	2,429	2.1%	4
Microsoft	2,065	1.8%	3
SCT	594	0.5%	0
TOTAL	115,935	100.0%	2,813

HHI Increase 1,020

Post-Merger HHI 3,833

*Sales represents new license revenues. License revenues of less than \$500,000 per customer per year are excluded as midmarket transactions. Sales pertain to calendar or fiscal year 2003 except for SSA and AMS, which are calendar year 2002. Data for FMS software are estimated for some smaller firms from their total ERP sales.

Note: the shares of Lawson and SSA may be understated because the sales data they supplied are limited to sales to large and/or complex customers as defined in the DOJ civil investigative demand to each firm.

Source: Data provided by Oracle and PeopleSoft in response to interrogatories, and data provided by other firms in response to CIDs from the DOJ.

**High Function HRM Software
US Sales, Shares, and Concentration Statistics
2003***

Company	Sales (\$ thousands)	Share	Share Squared
PeopleSoft	65,057	51.5%	2,657
SAP	36,742	29.1%	847
Oracle	22,917	18.2%	330
Lawson	995	0.8%	1
SCT	504	0.4%	0
TOTAL	126,215	100.0%	3,835

HHI Increase 1,872

Post-Merger HHI 5,707

*Sales represents new license revenues. License revenues of less than \$500,000 per customer per year are excluded as midmarket transactions. Sales pertain to calendar or fiscal year 2003 except for SSA and AMS, which are calendar year 2002. Data for HRM software are estimated for some smaller firms from their total ERP sales.

Note: the shares of Lawson and SSA may be understated because the sales data they supplied are limited to sales to large and/or complex customers as defined in the DOJ civil investigative demand to each firm.

Source: Data provided by Oracle and PeopleSoft in response to interrogatories, and data provided by other firms in response to CIDs from the DOJ.